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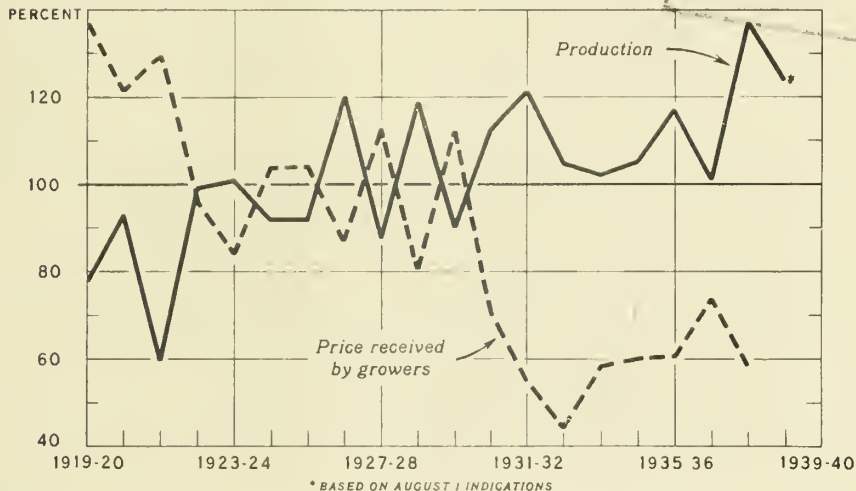
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NOVEMBER 22, 1938

THE FRUIT SITUATION

ALL FRUITS: PRODUCTION AND PRICE IN THE
UNITED STATES, 1919-38

INDEX NUMBERS (1924-29=100)



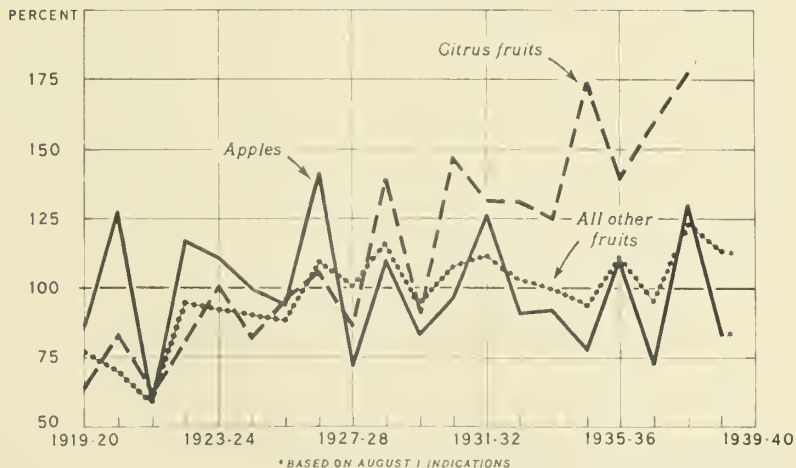
U. S. DEPARTMENT OF AGRICULTURE

NEG 34628 BUREAU OF AGRICULTURAL ECONOMICS

THE TOTAL VOLUME OF FRUIT PRODUCTION FLUCTUATES WIDELY FROM YEAR TO YEAR, BUT THE TREND HAS BEEN UPWARD DURING THE PAST TWO DECADES. FRUIT PRICES IN GENERAL DECLINED SHARPLY FROM 1929 TO 1932, LARGELY BECAUSE OF THE SHARP DECLINE IN CONSUMER INCOMES, BUT HAVE MADE SOME RECOVERY FROM THE LOW POINT REACHED IN 1932.

ALL FRUITS: PRODUCTION BY GROUPS
IN THE UNITED STATES, 1919-38

INDEX NUMBERS (1924-29=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 26426 BUREAU OF AGRICULTURAL ECONOMICS

MOST OF THE EXPANSION IN TOTAL FRUIT PRODUCTION HAS BEEN DUE TO SHARP INCREASES IN PRODUCTION OF CITRUS FRUITS, ALTHOUGH THERE HAVE BEEN INCREASES ALSO IN PRODUCTION OF PEARS, CHERRIES, APRICOTS, PLUMS, AND PRUNES. APPLE PRODUCTION HAS FLUCTUATED WIDELY FROM YEAR TO YEAR, BUT NO MARKED TREND HAS BEEN APPARENT FROM 1919 TO 1938.

This issue of The Fruit Situation contains summaries of each of the annual outlook reports on the major fruit crops. Included also is a brief statement on current developments with the usual statistical data. Copies of the complete outlook reports may be obtained upon request to the Bureau of Agricultural Economics

T H E F R U I T S I T U A T I O N

Summary

Changes in fruit prices during the past month have been varied. Prices of pears and grapes are in general a little higher than a month ago. Apple prices have experienced relatively little change. Orange prices declined, as is usual at this time of year when shipments from the new Florida crop are increasing. Grapefruit prices have made some recovery from the extremely low levels reached a month ago.

Consumer incomes, which greatly influence the domestic demand for fruits, appear to have made further gains from a month ago, and the outlook is for some additional improvement during the next few months. The inauguration of trade agreements, effective January 1, 1939, with the United Kingdom and Canada is a favorable factor in the outlook for exports of fruits from the United States. Among the concessions granted by the United Kingdom on fruits are the abolition of duties on canned grapefruit and certain fruit juices, and substantial reductions in the duties on apples, pears, and some canned fruits. (See table 1 for details regarding changes in United Kingdom duties on our fruits.)

The total United States apple crop for the 1938 season was estimated on November 1 at 130 million bushels, the same as a month earlier, compared with the 1937 crop of 211 million bushels and the 1927-36 average of 151 million bushels. Estimated production on November 1 was materially above that of a month earlier in Massachusetts, New York, Michigan, Idaho, Washington, and Oregon, but was below the October estimate in New Jersey, Pennsylvania, Ohio, Illinois and Virginia.

The November 1 estimate of the pear crop at 31.6 million bushels was slightly higher than that of a month earlier. The 1938 pear crop is

the largest on record, exceeding the 1937 crop by 7 percent and the 1927-36 average by 30 percent. Considerable quantities of pears were allowed to remain unharvested in New York, California, and the Pacific Northwest because of low prices.

The 1938 grape crop was estimated on November 1 at 2.5 million tons, the same as the October estimate. This is 10 percent smaller than the 1937 record production, but is 14 percent greater than the 1927-36 average.

Estimated production of grapefruit for the 1938-39 season on November 1 showed no change from a month earlier, and was indicated to be nearly 41 million boxes. This prospective crop is 32 percent larger than the 1937-38 crop and nearly 2-1/2 times the 1927-36 average production.

Production of oranges for the 1938-39 season (excluding California Valencias) was estimated on November 1 at 50 million boxes, compared with 45.6 million boxes of the same varieties in 1937-38 and 38.3 million boxes in 1936-37.

Table 1.- Concessions on imports of fruits and fruit products into the
United Kingdom granted under the trade agreement signed November
17, 1938 1/

Description of commodity	Rate of duty-ad valorem unless otherwise stated	
	Before agreement	Under agreement
Fresh or raw fruit:	:	:
Apples	4s. 6d. per cwt. (ad val. equiv.- 24.3%).	3s. 0d. per cwt. from 16th Aug. to 15th Apr. inclusive (ad val. equiv.- 16.2%).
Pears	4s. 6d. per cwt. (ad val. equiv.- 16.0%).	3s. 0d. per cwt. from Aug. 1 to Jan. 31 inclusive (ad val. equiv.- 10.7%).
Fruit preserved by chemicals or artificial heat and fruit (other than fresh fruit) preserved by artificial cold; but not including fruit preserved in sugar:	:	:
Grapefruit	15%	Free
Dried apples, dried pears, dried peaches and dried nectarines	10s. 6d. per cwt. (ad val. equiv.- 24.8%).	7s. 0d. per cwt. or 10%, whichever is the greater (ad val. equiv.- 16.6%).
Apples, other than dried apples	25%	3s. 6d. per cwt.
Dried prunes and dried apricots	10s. 6d. per cwt. (ad val. equiv.- 32.5%).	10s. 6d. per cwt. (ad val. equiv.- 32.5%).
Raisins	10s. 6d. per cwt. (ad val. equiv.- 35.0%).	10s. 6d. per cwt. (ad val. equiv.- 35.0%).
Ripe black olives in brine, imported in a container when the gross weight (including the weight of the container) does not exceed 1 cwt.	25%	15%
Fruit of the following descriptions:	:	:
preserved in syrup <u>2/</u> :	3s. 6d. per cwt. (ad val. equiv.- 14.9%).	2s. 3d. per cwt. (ad val. equiv. 9.6%).
Apples	:	:
Apricots	15%	15%
Cherries, stoned, with or without added flavoring matter.	25%	15%

Continued -

Table 1.- Concessions on imports of fruits and fruit products into the United Kingdom granted under the trade agreement signed November 17, 1938 1/-Continued

Description of commodity	Rate of duty - ad valorem unless otherwise stated	
	Before agreement	Under agreement
Fruit salad, viz, mixtures of fruit (but not including mixed fruit pulp) containing not less than four separate descriptions of fruit, in which each of at least 4 descriptions constitutes at least 8 percent and no one description represents more than 50 percent, by weight, of all the fruit in the mixture (excluding syrup).	15%	5s.6d per cwt. (ad val.equiv. 11.5%).
Grapefruit	15%	Free
Loganberries	15%	4s.0d. per cwt. (ad val.equiv. 9.7%).
Peaches	15%	15%
Pears	15%	15%
Pineapples	15%	5s.0d. per cwt. (ad val.equiv. 12.6%).
Fruit juices of the following descriptions, sweetened or unsweetened, including such juices concentrated or preserved or flavored:		
Grapefruit juice	15%	Free
Orange juice, including such juice containing detached cells of fruit but excluding cut or pulped oranges containing peel.	15%	Free
Prune juice	10%	10%
Pineapple juice	10%	10%

Press Releases of The Dept. of State, Vol. XIX: No. 477, Supplement A, Publication 1252.
Abbreviations: cwt.=hundredweight of 112 pounds; ad.val.equiv.=ad valorem equivalent.

1/ The agreement will go into effect on January 1, 1939 for an initial period of 3 years, and may continue in force indefinitely thereafter, subject to termination by either Government on 6 months' notice.

2/ Rates of duty and preferential duty margins in respect to sugar content bound in relation to rates of duty and preferential duty margins on sugar imported as such.

THE FRUIT OUTLOOK FOR 1939

The average production of all fruits during the next 5 years (1939-43) probably will be larger than the average for the 5-year period (1934-38) just passed.

Significant increases are expected in the production of grapefruit, oranges, and lemons. More moderate increases are in prospect for pears, peaches, and plums and prunes. The bearing acreage of grapes is sufficient to at least maintain production on the present high level. The trend of apple production probably will be downward at a moderate rate. Material changes in the production trends of other fruits are not expected.

Recent trends of production of the 13 major fruit crops are indicated by the 5-year averages in the following table:

Volume of United States fruit production, major crops,
5-year averages, 1919 to date

Crop	1919-23	1924-28	1929-33	1934-38
	<u>1,000 tons</u>	<u>1,000 tons</u>	<u>1,000 tons</u>	<u>1,000 tons</u>
	Fresh equivalent basis			
Apples	3,904	4,013	3,805	3,667
Citrus, total	1,638	2,119	2,673	<u>1/</u> 3,644
Oranges	1,157	1,469	1,822	<u>1/</u> 2,343
Grapefruit	297	402	579	<u>1/</u> 969
Lemons	184	248	272	<u>1/</u> 332
Grapes	1,730	2,333	2,071	2,332
Peaches	1,111	1,309	1,275	1,260
Plums and prunes ...	453	621	708	771
Pears	406	531	606	705
Apricots	151	170	246	218
Strawberries	153	204	209	194
Cherries	<u>2/</u> 46	<u>3/</u> 83	<u>4/</u> 125	<u>4/</u> 134
Cranberries	28	30	31	29
Olives	10	15	19	<u>1/</u> 26
Total 13 fruits .	9,630	11,428	11,768	12,980
<u>1/</u> 4-year average.	<u>2/</u> 5 States.	<u>3/</u> 10 States.	<u>4/</u> 12 States.	

Total volume of production during the past five seasons, 1934-38, was about one-third larger than that of the 5-year period 1919-23. The larger part of this increase occurred in the years between 1919 and 1928. The trend during the past decade has been moderately upward. During this period downward

trends in apple and peach production have been more than offset by increases in grapefruit, oranges, lemons, plums and prunes, pears, apricots and cherries.

Variations in prices received by producers for all fruits combined are associated rather closely with variations in the two factors, production and consumer income. During the decade prior to 1930, variations in consumer income were relatively minor, and most of the variation in fruit prices in this period was caused by the rather marked changes from year to year in fruit supplies. Since 1930, however, there have been large changes from year to year in consumer income, and it appears that the influence of this factor on fruit prices in recent years has been of even more importance than variation in supplies of fruit. These two factors will continue to be of primary importance in causing changes from season to season in fruit prices, their relative importance during the next few years depending upon the amount of variation in each.

Data in the following table illustrate the rather close inverse relationship between fruit production and prices during the period before 1930, and the importance of changes in consumer income (as measured by income of industrial workers) as affecting fruit prices in the years since 1930.

That variations in prices in some years since 1930 have not been caused primarily by changes in fruit production is demonstrated by the fact that the decline in the index of fruit production from 121.4 in 1931 to 104.6 in 1932 was not accompanied by the usual rise in fruit prices. The index of fruit prices actually decreased from 55.2 in 1931 to 44.1 in 1932.

Fruit production, fruit prices, and income of industrial workers
(Index numbers 1924-29 = 100)

Year	:	Production	:	Price	:	Income of industrial workers (July-June average)
1919	:	77.8	:	136.9	:	110.3
1920	:	93.1	:	121.4	:	98.8
1921	:	59.7	:	129.5	:	77.1
1922	:	99.3	:	96.0	:	94.9
1923	:	100.8	:	83.9	:	100.0
1924	:	91.8	:	103.7	:	94.6
1925	:	91.8	:	104.0	:	100.6
1926	:	120.1	:	87.0	:	101.0
1927	:	87.6	:	112.8	:	98.2
1928	:	118.7	:	80.4	:	104.2
1929	:	90.0	:	112.1	:	99.9
1930	:	112.4	:	71.3	:	76.2
1931	:	121.4	:	55.2	:	55.6
1932	:	104.6	:	44.1	:	41.7
1933	:	102.1	:	58.2	:	57.3
1934	:	105.3	:	60.0	:	62.0
1935	:	117.1	:	60.6	:	70.5
1936	:	101.2	:	74.0	:	86.2
1937	:	137.1	:	58.4	:	77.9
1938 ^{1/}	:	123.7	:		:	

^{1/} Based on preliminary indications.

Per-capita production of fruits has increased somewhat since the 1919-23 period. Of more significance, however, are the shifts that have occurred in the composition of the per-capita total. (See following table.)

Crop	1919-23	1924-28	1929-33	1934-38
	Pounds	Pounds	Pounds	Pounds
Apples	71.6	68.4	61.2	56.8
Citrus, total ...	30.0	36.1	43.0	58.7
Oranges	21.2	25.0	29.3	1/ 36.6
Grapefruit ...	5.4	6.9	9.3	16.9
Lemons	3.4	4.2	4.4	1/ 5.2
Grapes	31.7	39.8	33.3	36.1
Peaches	20.4	22.3	20.5	19.6
Plums and prunes :	8.3	10.6	11.4	14.8
Pears	7.5	9.1	9.7	10.9
Apricots	2.3	2.9	4.0	3.4
Strawberries	2.8	3.5	3.3	3.0
Cherries .....	.8	1.4	2.0	2.1
Cranberries .....	.5	.5	.5	.4
Olives .....	.2	.3	.3	1/ .4
Total 13 fruits :	176.6	194.9	189.2	206.2
Bananas - imports:	19.6	25.0	21.2	1/ 22.7

1/ Based on 4-year average.

The annual average per-capita production of the 13 fruits increased from about 177 pounds for the 5-year period, 1919-23, to 203 pounds during the past 5 years, 1934-38. During that period the per-capita production of apples had declined materially. This decline, however, has been more than offset by significant increases in the per-capita production of citrus fruits, plums and prunes, and pears. From present indications it appears that during the next 5 years a larger total per-capita supply of fruit may be expected, but an increasing proportion of this supply will be comprised of citrus fruits.

Increasing competition for the United States may be expected in foreign markets during the next 5 years. This appears probable because the trend of fruit production is upward in most countries. Many European importing countries are taking steps to insure larger production of deciduous fruits and to improve the quality of the crops. While some modification and reduction of trade barriers has been achieved through trade agreements concluded within the last 3 or 4 years, there are as yet no agreements in effect with many of the countries providing the largest export outlet for our fruit.

APPLE OUTLOOK - SUMMARY

The number of apple trees of bearing age in the United States is expected to continue to decrease, and the production trend is expected to continue downward at a moderate rate for several years. The number of trees

that are yet to come into bearing is smaller than usual, and if plantings and replacements continue to be as light as they have been during the last several years, production 10 to 15 years hence may be materially lower than it now is.

Domestic apple supplies for the current season are about one-third less than the supplies of last season, and about 14 percent below the 1927-36 average. Low consumer buying power continues to affect the apple-price level adversely, but with a smaller crop, the prices in October 1938 were substantially higher than the low prices of a year earlier.

A lower level of business activity in many countries, continued decline in the exchange value of foreign currencies, a continuation of the import duties and trade restrictions in many countries that were in effect last year, and a good crop of apples in Canada, are factors tending to offset the favorable influence on export demand of smaller foreign fruit crops.

Production of dessert apples in the chief producing countries outside of the United States is on a slightly upward trend, and competitive apple supplies in the major United States export markets is expected to increase somewhat.

In the Pacific Coast and Rocky Mountain States production in recent years has been fairly stable at about 50,000,000 to 55,000,000 bushels per year. The peak of production has apparently been passed for the region as a whole, and the general trend is expected to be downward.

In the Central States, where annual production varies tremendously, increasing production from young orchards probably will about offset decreasing production from old commercial and farm orchards for several years, assuming average growing conditions.

Because of the nearness to large consuming centers, many of the better eastern orchards have received good care in recent years. On the other hand, the removal of unprofitable farm orchards continues. The hurricane in September 1938 damaged many of the apple trees in the New England storm area. Unless the damage is greater than now seems apparent, however, production in the Eastern States as a whole is expected to continue downward at only a moderate rate during the next several years.

PEACH OUTLOOK - SUMMARY

Average annual peach production in the United States in the next 5 years is expected to be somewhat larger than the 1933-37 average of 51 million bushels. Although the outlook for peaches to be marketed as fresh fruit appears to be generally favorable for 1939-43, the danger of over-expansion of the industry should be kept in mind. If planting continues at an equal or greater rate than in recent years, supplies 5 to 10 years hence may be excessive. Even with the present number of bearing trees, in seasons when growing conditions are considerably above average in any area, prices are likely to be unsatisfactory.

Production of clingstone peaches in California has been in excess of market requirements. Large stocks of canned fruit have accumulated and prices to California growers were very low in 1938. Considerable quantities of freestone peaches have been used for canning in recent years.

The anticipated upward trend in United States production is attributed to increased plantings in recent years in most of the important peach-growing regions, and to the fact that orchards generally are in good condition. The production outlook varies considerably among States, in some regions.

Leading States in which a considerable expansion in the peach industry is taking place include Georgia and South Carolina in the South; Illinois, Pennsylvania, Virginia, and West Virginia in the areas marketing principally in August; and Michigan, New York, and Ohio in the Great Lakes region.

OUTLOOK FOR ORANGES - SUMMARY

A continuation of the upward trend in orange production in the United States is expected during the next 5 years. Barring unusual tree damage and assuming the continuation of reasonable care of groves, crops of oranges in excess of the record production of nearly 74,000,000 boxes of last season (1937-38) may be expected.

During the last 19 years orange production increased from the average of about 30,000,000 boxes during the first 5 years of the period to the average of approximately 58,000,000 boxes for the last 5 years. Large plantings of trees made between 1920 and 1930 are now coming into fairly heavy production. These will continue to increase in bearing surface during the next 5 or 10 years. Older plantings appear to be maintaining a high rate of production per tree. The number of bearing trees now in the United States is more than double the number in groves in 1920.

Of the 37,800,000 bearing trees (5 years old and over) estimated in the groves of California, Florida, Texas, and Arizona as of 1938, 44 percent are from 5 to 15 years of age and 23 percent are 5 to 10 years old. With this large proportion of the bearing trees at an age when production per tree will increase rapidly, and with additional new trees to come into bearing each year, it seems probable that production during the next 5 seasons (1938-39 to 1942-43) will average 75,000,000 boxes or more. Production of Valencias and other late varieties is expected to increase at a faster rate than that of early and midseason varieties.

Increased production of recent years has been accompanied by relatively low prices to growers. Supplies of oranges and grapefruit during the next 5 years are expected to average larger than in the past; production of apples probably will be only slightly under average. These unfavorable price factors probably will be offset to some extent by the diversion of more oranges into juice and byproducts, and possibly by some increase in exports. But as production of oranges in other countries is also increasing, disposal of large quantities in foreign markets will be difficult.

OUTLOOK FOR GRAPEFRUIT-SUMMARY

Bearing acreage of grapefruit has been increasing rapidly during recent years, and the trend of production is sharply upward.

Approximately two-thirds of the bearing grapefruit trees in the United States at the present time, have not yet reached the age of full production. The trend of production during the next decade, therefore, will, in the absence of severe damage to trees by adverse weather conditions, continue upward because of the increasing bearing capacity of the large number of relatively young trees. Most of the expected increase in production will be in the late or seedless varieties of grapefruit, which predominate in Texas, California, and Arizona. In 1938 more than 80 percent of the bearing seedless grapefruit trees in the United States had not yet reached full production, while 35 percent of the bearing trees of early or seeded varieties were less than 16 years old, or not in full production.

With growing conditions similar to the average of the last 10 years, and in the light of recent production trends and potential increases in bearing surface of trees not yet in full production, it seems probable that average production during the next five marketing seasons will be in excess of the record-high crops of the past 2 seasons. If no serious damage to the bearing surface is encountered from unfavorable weather conditions and there are no widespread removals of present bearing trees, it is not unlikely that production during the next 5 seasons (1938-39 to 1942-43) will average 25 percent larger than during the past 2 seasons. During the 1937-38 season, when growing conditions were below average in Florida, a record crop of 30,878,000 boxes was produced, and exceeded the previous record crop of 30,440,000 boxes of 1936-37. The crops of these 2 seasons were more than 9 million boxes larger than production in any previous season. Early indications (October 1) point to a production of 40,720,000 boxes in 1938-39, or a crop nearly 10 million boxes larger than the production of 1937-38. Moreover, the trend of grapefruit production in foreign countries is increasing, and exports will meet with greater competition.

The large grapefruit crops of recent seasons have returned prices to grower about equal to the low prices received during the depression years of 1931 and 1932.

PEAR OUTLOOK -SUMMARY

Pear production in the United States is continuing its upward trend chiefly because of increasing production in the three Pacific Coast States. The combined production in regions other than the Pacific Coast area probably will expand only slightly in the next few years.

New plantings of pear trees are very small. A large number of young trees reaching full bearing age, however, will cause an increase in production for a number of years. Orchards in the Pacific Coast States and in Michigan have generally been given good care during the 1937-38 season and abandonment has been negligible. Neglect has been general in other commercial areas in the Eastern States and in regions where pear production is relatively unimportant.

Prices paid to growers since the beginning of the 1938-39 season have been considerably below those of last year. The largest crop on record and somewhat less favorable demand conditions at the outset of the season are the major reasons. Gradually improving demand conditions, however, are in prospect for

the remainder of the season. In general, prices for pears have improved somewhat from the low point reached in 1932. Considerable difficulty is being experienced, however, in disposing of continually increasing production at prices satisfactory to growers.

Exports of fresh pears have been increasing for a number of years and in 1938-39 will about equal or slightly exceed those of the preceding season. Canned and dried pear exports may show a slight increase over those of the 1937-38 season. Smaller European pear crops this year, large supplies in the United States, and the possible conclusion of trade agreements, are favorable factors in the outlook for pear exports for the 1938-39 season. Trade restrictions, increasing foreign production of dessert varieties, a gradual improvement in the quality of foreign pears, and a lengthening of the marketing season by a more extensive use of cold storage in foreign countries will not permit a substantial increase in exports of United States pears in the near future.

GRAPE OUTLOOK-SUMMARY

Average production of grapes in the United States during the next few years is likely to be larger than the 1927-36 average of 2,197,000 tons, but smaller than the average of 2,649,000 tons produced in 1937 and 1938. The carry-over of grape products (raisins, wine, and brandy) into the 1938 season was extremely large and, unless consumption of these products during 1938-39 is increased materially over present expectations, inventories of these products at the beginning of the 1939-40 season will also be large.

Preliminary estimates indicate that the 1939 bearing acreage in California will be about 494,000 acres divided according to varieties (based upon principal use) as follows: raisin varieties 240,000 acres, wine varieties 173,000 acres, and table varieties 81,000 acres. Although the acreage of bearing grape vines in California during the next few years will be smaller than the average acreage for the 10 years 1927-36, the average annual production from this smaller acreage will probably exceed the 1927-36 average production of 1,929,000 tons, but may be less than the average of 2,395,000 tons for the bumper crops of 1937 and 1938. This larger than average production from a smaller than average acreage is expected because moisture conditions and age and general condition of vines will probably give higher yields per acre than the 1927-36 average.

With large supplies of grape products on hand from the 1937 crop and with a large 1938 crop in prospect, proration plans to help support prices have been developed for raisins and winery grapes from the 1938 California production. Under these programs restrictions are placed upon the marketable supplies of raisins and the quantities of grapes used in the commercial production of wine in California. Loans of \$50 per ton have been made available to growers on at least two-thirds of the expected raisin production, thus tending to support farm prices at about that level during the present marketing season. A minimum price to growers of \$15 per ton (less assessments totaling 60 cents per ton) has been set on grapes delivered for production of commercial wine. The plan further provides for the manufacture of surplus grapes into beverage and high proof brandy, production and storage in a surplus pool to be financed by a loan from the Reconstruction Finance Corporation and from California commercial banks.

There has been no pronounced trend in the acreage of grapes in the principal producing regions outside of California, although some decline may occur in the next few years. Production of grapes outside California during the next few years will probably average slightly less than the 1927-36 average of 268,000 tons. Reports from all regions, excluding California, indicate few plantings in recent years.

CHERRY OUTLOOK-SUMMARY

A slight increase in cherry production is indicated for the next 3 to 5 years, although production in a number of States appears to have reached a peak from which production may be expected to level off. Production in the United States during the 5 years 1934-38 averaged approximately 7 percent above the previous 5 years, 1929-33.

During recent years, production in the Eastern States (New York, Pennsylvania, Ohio, Michigan, and Wisconsin), which usually accounts for slightly more than half of the total output of the 12 major cherry States, has shown wider variations than in the Western States (Montana, Idaho, Colorado, Utah, Washington, Oregon and California). The net contribution of the western group has been increasing. The potential contribution of the eastern group, however, appears to be somewhat higher, as the number of bearing trees in the east increased 55 percent from 1930 to 1935, compared with an increase of 26 percent in the west.

On the whole, utilization of cherries has been upward in recent years. With a continuation of this upward trend in utilization, and with business conditions at or above current levels, prices for cherries during the next few years may be expected to hold well above depression levels. But with the present large number of bearing trees and the slight upward trend in production, it is not probable that farm prices will reach the extremely high levels that prevailed before 1929 when output was much smaller relative to consumer demand than it promises to be during the next few years.

OUTLOOK FOR LEMONS-SUMMARY

In view of the probable increase in productive capacity of a large part of the present bearing lemon acreage, together with the prospect that present nonbearing acreage will permit an increase in bearing acreage of approximately 25 percent during the next 5 years, average annual production of lemons during that period can be expected to amount to at least 10 million boxes. Production has increased from an average of 4,900,000 boxes during the 5-year period 1919-20 to 1923-24, to an average of 8,022,000 boxes for the 5-year period 1932-33 to 1936-37.

Bearing lemon acreage in California in 1938 is estimated at approximately 51,500 acres, while nonbearing acreage, exclusive of 1938 plantings is indicated to be approximately 11,500 acres. Forty percent of all trees now in bearing are between the ages of 5 and 15 years, and have not yet reached full producing capacity.

World production decreased from the record crop of 27,400,000 boxes in 1932-33, to approximately 19,300,000 boxes for the 1936-37 season. Production in Italy, the world's leading producer of lemons, has declined from an average of 12,764,000 boxes during the 5-year period, 1926-27 to 1930-31, to an average of about 10,000,000 boxes for the 5 years, 1933-34 to 1937-38, inclusive. During the last two seasons the Italian crop amounted to only about 8,200,000 boxes annually.

Exports from the United States increased from 168,000 boxes during the calendar year 1933, to 638,000 boxes in 1936. A decline occurred in 1937, but during the first 8 months of 1938, 541,000 boxes were exported. Lemon imports into the United States have declined rapidly during recent years and are of only minor importance at present.

Although production has increased at a relatively rapid rate for 19 years, the average price per box has declined only slightly. But in view of an average annual production of approximately 10,000,000 boxes during the next 5 years, it seems certain that consumer demand for lemons must be stimulated still further if a declining price trend is to be averted in the future.

STRAWBERRY OUTLOOK - SUMMARY

Reports from growers in October indicate that the acreage of strawberries for picking in 1939 will be about 197,000 acres. This acreage, the largest since 1929, is 9 percent above the 1938 harvested acreage and about 7 percent greater than the 1927-36 average, but it is only slightly more than the harvested acreages of 1933-34. The 1939 strawberry crop will probably be marketed under somewhat more favorable demand conditions than was the 1938 crop. Yields equal to or above average on the larger acreage may more than offset the improvement in consumer demand.

Acreage increases in 1939 over those of 1938 are indicated for the late, intermediate, and second early States. In the early States, where marketing difficulties have been most pronounced in recent years, some reduction in acreage is expected. Strawberry acreage during the past decade has increased markedly in the late States. In the intermediate States also the trend has been upward, but at a more moderate rate. In the early States the trend in acreage has been downward, while in the second early States there has been no pronounced trend.

Strawberry yields vary from year to year, largely because of weather conditions. If the yield per acre in 1939 should be equal to the 10-year average, the production from the indicated acreage would be about 300 million quarts. A production of this size would exceed that of 1938 and the 1927-36 average, by about 9 percent. Weather conditions in the summer of 1938 were above average and beds in the fall of 1938 appear to be in generally good condition. Yields and production in 1939, however, will depend to an appreciable extent on weather conditions in the spring of 1939.

Both acreage and production of strawberries for the country as a whole in 1938 were about the same as the 10-year average. As the yield per acre was substantially less than the high yield of 1937, production was slightly smaller notwithstanding a 15-percent larger acreage.

Prices to growers in the second early States and the intermediate States in 1938 were higher than average and higher than in 1937. The reverse was true in the late States and early States.

Prices to growers in the early States have averaged substantially higher than in the other groups of States. Costs of production in the early States, however, are much higher than elsewhere.

OUTLOOK FOR TREE NUTS - SUMMARY

The basic trend in production of tree nuts is expected to continue moderately upward during the next few years. Wild and seedling pecans are the only tree-nut crop of which the production is not expected to increase.

Combined 1938 production in the United States of walnuts, almonds, pecans, and filberts is expected to amount to approximately 83,900 tons. This is 30 percent under the 1937 total crop, and 6 percent under the average for the 5 years 1932-36.

Prices to growers for tree nuts fell to low levels in 1930 and 1931. Since then, prices of walnuts and improved pecans have declined slightly further. The prices of wild and seedling pecans have varied widely, but the average level remains low. Almond prices, on the other hand, were high in 1935 and 1936, and even in 1937, year of a bumper crop, they remained well above their depression lows.

In view of the prospect for further increases in the United States production of tree nuts, it does not seem probable that their average prices to growers during the next few years will average much, if any, above their present levels - assuming that no radical change in other factors will occur.

According to a preliminary estimate, total apparent per-capita consumption of tree nuts in the United States was equal in 1937-38 (September to October) to the average of the two preceding seasons, which was 1.17 pounds (shelled basis). In 1937-38, nuts produced in the United States made up 57 percent of the total quantity apparently consumed, as compared with an average of 47 percent for the two preceding seasons.

Expected 1938 production in the United States of the various nuts reported is as follows: English walnuts, 45,200 tons, down 24 percent from 1937; almonds, 12,100 tons, down 40 percent from 1937; improved varieties of pecans, 9,220 tons, down 20 percent from 1937; wild and seedling pecans, 15,100 tons, down 44 percent from 1937; all pecans combined, 24,400 tons, down 36 percent from 1937; and filberts, 2,200 tons, equal to the 1937 production.

STATISTICS RELATING TO MARKETING OF FRESH FRUITS

Table 2.- Apples: Production by regions and selected States, average 1927-36, annual 1937 and 1938

Region and State	Average 1927-36 1/	1937 1/	Indicated 1938	1938 as percentage of average	1938 as percentage of 1937
	1,000 bu.	1,000 bu.	1,000 bu.	Percent	Percent
Total United States	150,728	210,673	130,328	86.5	61.9
North Atlantic	38,019	55,989	36,232	95.3	64.7
South Atlantic	24,816	39,952	21,939	88.4	54.9
Total Eastern	62,835	95,941	58,171	92.6	60.6
North Central	27,507	49,930	20,272	73.7	40.6
South Central	6,268	11,450	3,025	48.3	26.4
Total Central	33,775	61,410	23,297	69.0	37.9
Pacific Northwest	40,821	39,200	38,065	93.2	97.1
California	9,288	10,292	7,011	75.5	68.1
Other West	4,009	3,830	3,784	94.4	98.8
Total Western	54,118	53,322	48,860	90.3	91.6
Massachusetts	2,927	3,465	2,524	86.2	72.8
New York	17,125	24,340	16,380	95.6	67.3
New Jersey	3,484	5,463	4,067	116.7	74.4
Pennsylvania	9,465	16,728	9,333	98.7	55.8
Delaware	1,388	2,750	1,771	127.6	64.4
Maryland	1,920	2,847	2,118	110.3	74.4
Virginia	11,533	18,000	10,080	87.4	56.0
West Virginia	5,780	10,004	4,800	83.0	48.0
Ohio	6,095	12,636	3,565	58.5	28.2
Illinois	4,099	8,960	2,912	71.0	32.5
Michigan	7,731	14,432	7,095	91.8	49.2
Missouri	2,207	4,214	588	26.6	14.0
Arkansas	1,394	2,295	364	26.1	15.9

1/ Includes some quantities in some States not harvested on account of market conditions.

Table 3.- Apples, western: Weighted average auction price per box, all grades, at New York and Chicago, by specified varieties and weeks, 1937-38

Market and week	1937				1938			
	Washington				Washington			
	: Deli-	: Rome	: Spitz-	: var-	: Deli-	: Rome	: Spitz-	: var-
	: cious	: Beauty	: enberg	: icties	: cious	: Beauty	: enberg	: icties
	:Dollars	:Dollars	:Dollars	:Dollars	:Dollars	:Dollars	:Dollars	:Dollars
New York								
Oct. 14	: 2.21	2.03	---	2.00	2.10	2.44	---	2.06
21	: 1.89	1.87	---	1.80	1.97	2.01	2.29	1.97
28	: 1.85	1.73	1.59	1.76	2.10	1.67	2.28	1.99
Nov. 4	: 1.93	1.56	1.40	1.74	2.13	1.62	1.92	1.98
11	: 1.80	1.52	1.44	1.70	1.33	1.73	1.58	1.75
Chicago								
Week ended	1937				1938			
	Washington				Washington			
	: Deli-	: Rome	: Jon-	: var-	: Deli-	: Rome	: Jon-	: var-
	: cious	: Beauty	: athan	: icties	: cious	: Beauty	: athan	: icties
	:Dollars	:Dollars	:Dollars	:Dollars	:Dollars	:Dollars	:Dollars	:Dollars
Oct. 14	: 1.73	1.88	1.25	1.54	1.32	2.08	1.47	1.68
21	: 1.72	1.73	1.26	1.50	1.51	1.70	1.49	1.55
28	: 1.54	1.39	1.21	1.39	1.72	1.64	1.79	1.72
Nov. 4	: 1.65	1.32	1.18	1.42	1.85	1.40	1.73	1.66
11	: 1.53	1.14	1.23	1.33	1.76	1.50	1.61	1.63

Table 4.- Apples, western: Price per box, extra fancy grade, carloads f.o.b. usual terms, Seattle, Washington, by specified varieties and weeks, 1937-38

Week ended	1937				1938			
	Washington				Washington			
	: Delicious	: Winesap	: Rome	: Delicious	: Winesap	: Rome	: Delicious	: Winesap
	: 150/1 and	: 163/1	: Beauty	: 150/1 and	: 163/1	: Beauty	: 150/1 and	: 163/1
	: Dollars	: Dollars	: Dollars	: Dollars	: Dollars	: Dollars	: Dollars	: Dollars
Oct. 15	: 1.32	1/ 1.15	1.18	1.56	1.23	1.41	1.32	1/ 1.15
22	: 1.32	1/ 1.15	1.16	1.46	1.23	1.30	1.32	1/ 1.15
29	: 1.33	1.05	1/ 1.00	1.45	1.26	1.40	1.33	1.05
Nov. 5	: 1.31	1/ 1.15	1.10	1.47	1.25	1.32	1.31	1/ 1.15
12	: 1.25	1.05	1.06	1.46	1.24	-	1.25	1.05

1/ Average for 1 day.

Table 5.- Apples, eastern: L.c.L. price per bushel, New York and Chicago, by specified varieties and weeks, 1937-38

Market and week	1937				1938			
	New York		All		New York		All	
	McIntosh	Green- ings	Baldwin	var- ieties	McIntosh	Green- ings	Baldwin	var- ieties
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
New York								
Oct. 15	1.24	.76	.69	1.08	1.86	.86	.80	1.46
22	1.38	.82	.67	1.14	1.84	.86	.87	1.50
29	1.40	.87	.72	1.16	1.92	.91	.33	1.48
Nov. 5	1.37	.86	.75	1.11	1.88	.97	.85	1.50
12	1.29	.92	.74	1.16	1.93	.92	.88	1.50
Michigan								
McIntosh		Green- ings	Jona- than	var- ieties	McIntosh		Green- ings	Jona- than
Dollars		Dollars	Dollars	Dollars	Dollars		Dollars	Dollars
Chicago								
Oct. 14	.88	.80	1.02	.92	1.42	1.04	1.36	1.23
21	1.04	.88	.92	.88	1.52	1.14	1.36	1.35
28	1.14	.86	.94	.97	1.58	1.28	1.44	1.38
Nov. 4	1.25	.92	.89	1.06	1.60	1.24	1.52	1.32
11	1.36	.97	.92	1.05	1.65 1/	1.35	1.53	1.35
1/ Average for 1 day.								

1/ Average for 1 day.

Table 6.- Pears: Production, total and specified States, average 1927-36, annual 1937 and 1938

State	Average	1937	Indicated	1938 as	1938 as
	1927-36		1938	percentage	percentage
	1,000 bushels	1,000 bushels	1,000 bushels	of average	of 1937
Total United States	1/ 24,326	1/ 29,548	31,610	129.9	107.0
Pacific Coast	1/ 16,128	1/ 18,484	21,706	134.6	117.4
Calif.	1/ 9,076	1/ 9,334	11,102	122.3	118.9
Wash.	1/ 4,142	5,600	6,278	151.6	112.1
Oreg.	1/ 2,910	3,550	4,326	148.7	121.9
N.Y.	1,300	1,305	1,924	148.0	147.4
Mich.	892	1,380	1,360	152.5	98.6
All other	6,006	8,379	6,620	110.2	79.0

1/ Includes some quantities not harvested on account of market conditions.

Table 7.-

Pears, western: Weighted average auction price per box, all grades, at New York and Chicago, by specified varieties and weeks, 1937-38

Market and week	1937			1938		
	Bartlett:	Anjou	Bosc	Bartlett:	Anjou	Bosc
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
New York						
Oct. 14	2.57	2.35	2.33	2.28	1.66	1.77
21	2.27	1.92	2.21	2.22	1.51	1.64
28	2.36	1.95	2.02	2.61	1.90	1.94
Nov. 4	2.06	1.89	2.12	2.03	2.04	2.09
11	1.72	1.89	2.09	---	2.05	2.14
Chicago						
Oct. 14	2.51	2.21	2.32	2.28	1.34	1.63
21	1.97	1.79	2.09	2.24	1.53	1.59
28	2.09	1.81	1.86	2.30	1.53	1.70
Nov. 4	---	1.88	1.65	2.41	1.87	1.93
11	---	2.03	2.03	---	1.99	1.85

Table 8.-Grapes: Production, total and specified States, average 1927-36, annual 1937 and 1938.

State	Average 1927-36	1937	Indicated 1938	1938 as per- centage of average	1938 as per- centage of 1937
	1,000 tons	1,000 tons	1,000 tons	Percent	Percent
Total United States:	1/ 2,197	1/ 2,777	2,503	113.9	90.1
California	1/ 1,929	2,454	2,331	120.8	95.0
Raisin varieties:	1/ 1,126	1,407	1,339	118.9	95.2
Wine "	1/ 450	631	589	130.9	93.3
Table "	1/ 353	416	403	114.2	96.9
New York	74	89	56	75.7	62.9
Michigan	61	1/ 67	17	27.9	25.4
Ohio	27	38	10	37.0	26.3
Pennsylvania	22	26	16	72.7	61.5
Missouri	9	12	6	66.7	50.0
Arkansas	10	13	5	50.0	38.5
All other	65	78	62	95.4	79.5

1/ Includes some quantities not harvested because of market conditions.

Table 9.-Grapes, California table: Weighted average auction price per
lug at New York and Chicago, by specified varieties
and weeks, 1937-38

Market and week	Malaga		Tokay		Emperor	
	1937	1938	1937	1938	1937	1938
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
New York						
Oct. 14	1.23	1.10	1.41	1.18	<u>1/</u> 1.33	1.37
21	1.21	.99	1.18	1.01	1.78	1.36
28	1.01	.96	1.15	1.23	1.41	1.44
Nov. 4	.93	1.22	1.04	1.09	1.39	1.51
11	1.07	1.24	1.16	1.14	1.39	1.47
Chicago						
Oct. 14	1.08	.97	1.22	1.07	---	---
21	1.10	.89	1.17	.93	---	---
28	.94	.96	1.02	1.19	1.24	1.27
Nov. 4	.90	1.23	1.09	1.00	1.29	1.20
11	1.30	1.25	1.51	1.37	1.36	1.37
1/ Less than 500 lugs.						

Table 10.-Grapes, California, juice: Weighted average auction price per
lug at New Jersey, by specified varieties and weeks,
1937-38

Week ended	1937			1938		
	Black		White	Black		White
	Alicante	Carignane	Muscat	Alicante	Carignane	Muscat
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Oct. 14	1.39	1.18	1.12	1.15	1.02	1.10
21	1.38	1.15	1.20	1.19	1.00	1.17
28	1.23	.94	1.10	1.25	1.06	1.23
Nov. 4	1.03	.68	.97	1.27	1.07	1.22
11	1.08	.72	.97	1.33	1.11	1.15

Table 11.- Citrus fruits: Production, average 1927-36, annual 1937 and 1938

Crop and State	Production 1/				
	Average	1937	Indicated	1938 as	1938 as
	1927-36		1938	percentage	percentage
	1,000	1,000	1,000	of average	of 1937
	boxes	boxes	boxes	Percent	Percent
<u>Oranges:</u>					
Winter and spring varieties:					
Calif. navels and misc.	14,871	16,680	17,640	113.6	105.8
Fla., all	16,121	26,700	29,500	183.0	110.5
Early and mid-season	2/ 10,475	13,700	15,500	148.0	113.1
Valencias	2/ 6,300	10,700	11,200	177.8	104.7
Tangerines	2/ 2,275	2,300	2,300	123.1	121.7
Tex.	540	1,440	2,000	370.4	138.9
Ariz.	151	350	360	238.4	102.9
Ala.	81	76	97	119.8	127.6
Miss.	37	67	78	210.8	116.4
La.	251	238	380	151.4	159.7
Total	32,052	45,551	50,055	156.2	109.9
Summer and early fall varieties:					
Calif. valencias	17,526	28,272	3/	---	---
Total 7 States 4/	49,577	73,823	---	---	---
<u>Grapefruit:</u>					
Fla., all	12,194	14,600	21,000	172.2	143.8
Seedless	2/ 4,225	5,500	7,500	177.5	136.4
Other	2/ 9,650	9,100	13,500	139.9	148.4
Tex.	2,410	11,800	15,000	622.4	127.1
Ariz.	746	2,750	2,800	375.3	101.8
Calif.	1,422	1,728	1,920	135.0	111.1
Total 4 States 4/	16,772	30,878	40,720	242.8	131.9
<u>Lemons:</u>					
Calif. 4/	7,487	8,778	3/	---	---
<u>Limes:</u>					
Fla.	12	110	3/	---	---

1/ Relates to crop from bloom of year shown, picking beginning November 1 in California and September 1 in other States.

2/ Short-time average.

3/ First report of production of California Valencia oranges and lemons and Florida limes (from bloom of 1938) will be issued in December.

4/ Net content of boxes varies. In California and Arizona the approximate average for oranges is 70 pounds net and grapefruit 60 pounds; in Florida and other States, oranges 90 pounds and grapefruit 80 pounds; California lemons about 76 pounds net.

Table 12.-Oranges: Weekly shipments from producing areas, by varieties and totals, September to November 1937 and 1938

	1937				1938				
Week ended	: Cali- : fornia- : Ariz. : valen- : cias	: Fla. : : : :	: Tex. : : : :	: Total : : : :	: Cali- : fornia- : Ariz. : valen- : cias 2/	: Fla. : : : :	: Tex. : : : :	: Total : : : : : : : :	: Relief : : : : : : :
	: Cars	: Cars	: Cars	: Cars	: Cars	: Cars	: Cars	: Cars	: Cars
Sept. 3	: 873	: ---	:	: 873	: 1,765	: 1	: ---	: 1,766	: 105
10	: 1,012	: 1	:	: 1,013	: 1,460	: ---	: ---	: 1,460	: 111
17	: 940	: 4	:	: 944	: 1,709	: 10	: ---	: 1,719	: 111
24	: 859	: 23	:	: 882	: 1,542	: 37	: 46	: 1,625	: 103
Oct. 1	: 729	: 115	:	: 844	: 1,498	: 99	: 50	: 1,647	: 109
8	: 680	: 183	:	: 863	: 1,429	: 385	: 56	: 1,870	: 81
15	: 501	: 732	: 1	: 1,235	: 1,385	: 683	: 78	: 2,146	: 86
22	: 218	: 906	: 78	: 1,206	: 1,157	: 576	: 119	: 1,867	: 55
29	: 96	: 1,084	: 134	: 1,323	: 1,105	: 929	: 138	: 2,277	: 69
Nov. 5	: 38	: 1,232	: 211	: 1,529	: 615	: 1,232	: 181	: 2,172	: 1
12	: 10	: 966	: 192	: 1,513	: 283	: 1,231	: 168	: 1,930	: ---
	:	:	:	:	:	:	:	:	:

1/ Includes shipments from Alabama, Mississippi, and Louisiana, and tangerines, and a few shipments of California-Arizona Navels and miscellaneous.

2/ Excluding relief shipments.

3/ Purchases made by Federal Surplus Commodities Corporation.

Table 13.-Grapefruit: Weekly shipments from producing areas and totals, September to November 1937 and 1938

Week ended:	1937				1938			
	: Fla. :	: Calif.- :	: Tex. :	: Total	: Fla. :	: Calif.- :	: Tex. :	: Total
	: Ariz. :	: Ariz. :	:	:	: Ariz. :	: Ariz. :	:	:
	: Cars	Cars	Cars	Cars	Cars	Cars	Cars	Cars
Sept. 3 :	7	15		22	35	32		67
10 :	52	16		38	179	13		192
17 :	169	28		197	269	17		286
24 :	381	21		402	316	15	53	384
Oct. 1 :	476	14		490	617	3	147	767
8 :	466	30		496	640	2	371	1,013
15 :	502	30	94	676	485	20	529	1,034
22 :	612	67	629	1,308	350	91	452	893
29 :	621	66	699	1,386	361	50	582	993
Nov. 5 :	346	46	411	803	494	32	504	1,030
12 :	360	53	399	312	625	27	511	1,291

Table 14.- Citrus fruits: Weighted average auction price per box, by specified weeks, 1937 and 1938

Week ended	Oranges				Grapefruit				Lemons	
	Calif.	Valencias:	Florida	Florida	Florida	Texas	California	California	California	California
	1937	1938	1937 1/2	1938	1937 1/2	1938	1937 1/2	1938	1937	1938
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
New York										
Oct. 15	5.27	2.89	4.21	2.07	2.64	1.62	--	2.47	6.26	3.15
22	4.95	2.57	3.26	1.91	2.78	1.70	--	2.08	7.00	3.13
29	4.72	2.54	3.34	2.23	2.43	1.84	2.97	2.29	6.98	3.65
Mo. av.	5.11	2.75	3.50	2.08	2.57	1.74	2.97	2.24	6.29	3.27
Nov. 5	4.33	2.54	2.79	1.96	2.20	1.98	2.12	2.40	7.63	3.47
12	4.23	2.55	2.44	1.70	2.22	1.88	2.38	2.24	6.93	3.40
Chicago										
Oct. 14	5.31	2.86	4.75	2.33	2.82	1.82	--	2.04	6.94	3.85
21	4.98	2.63	3.63	2.15	2.82	1.38	2.93	1.87	7.46	3.71
28	4.23	2.48	3.06	2.28	2.38	1.74	2.35	1.90	7.25	3.98
Mo. av.	5.01	2.72	3.59	2.23	2.72	1.89	2.49	1.94	6.88	3.77
Nov. 4	4.28	2.50	2.98	2.10	2.01	1.97	1.96	1.82	7.78	4.03
11	4.19	2.61	2.51	1.82	1.96	2.15	2.06	1.84	8.06	4.05

1/ Includes 2-bu. Bruce boxes converted to basis of Standard boxes.